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The Standard in
Geo-Demographic Targeting



A Pocket Guide to the
Five Micro-Geographic Systems

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The System

PRIZM is now widely and firmly established as a vital new approach to consumer market segmentation. It all started ten years ago, when Claritas invented geo-demographic segmentation by classifying all U.S. neighborhoods into 40 unique neighborhood types according to their similarities over hundreds of precise census measures.

When introduced, PRIZM was considered a "break-through" in marketing science on three counts. First, it greatly simplified the use of census data by distilling from hundreds of data items a simple, two-digit neighborhood "life-style" code. Second, it dramatically extended the versatility of market segmentation science by permitting the assignment of consumers to highly distinct market segments based solely on their home addresses. Finally, since each PRIZM segment is locatable and addressable, PRIZM was the first consumer segmentation system intrinsically suited for action-targeting.

Since then, strong predictive power, great versatility and solid professional support by Claritas have caused PRIZM to emerge as a vital tool for getting "hard" answers to important marketing questions.

The Beginning

The first generation PRIZM model was based on the established sociological principle that people with similar cultural backgrounds, circumstances and perspectives cluster in localities suited to their chosen life-styles.

Based on this theory, the original ZIP-Cluster model was developed, and became a valuable marketing tool because of its essential power to accurately differentiate and predict consumer behavior, using only a consumer's ZIP Code.

The 2nd Generation

With the release of the 1980 census, the opportunity came to create a 2nd generation PRIZM model to reflect the evolving social structure of the country and to respond to nearly a decade of applications experience.

A highly advanced statistical process was developed to meet our design objectives. Three elements stand out as especially significant to marketers. First, for maximum precision, the 2nd generation model was conceived at the lowest levels of census geography. Second, to achieve maximum utility, it was replicated for all levels of micro-geography, including Block Groups, Census Tracts, Postal Carrier Routes and ZIP Codes. Third, the design was tested and optimized against ten years of actual client/marketing data.

The resulting 2nd generation PRIZM model is a more advanced solution for all industries and applications. We do not believe a better model can or will be produced in this decade.

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The Standard

Today, this new PRIZM model is "The Standard" in geo-demographic targeting. There are several reasons for this. PRIZM has been adopted by most leading companies in every key industry. It is the only system to be universally accepted by the leading marketers of syndicated data-bases. It is the only system supported by a comprehensive range of microcomputer software. And, most importantly, PRIZM is the *only* system backed by a staff of marketing-oriented experts who can draw on ten years of "real world" applications experience.

The PRIZM Models

PRIZM was designed for consistent and compatible application across each of five micro-geographic levels.

Five Integrated Cluster Models	Targetable Geo-Units	Avg. #HH's Per Geo-Unit
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For Market-Targeting Applications

1) BLOCK CLUSTERS (Census Block Groups & Enumeration Districts)	254,000	340
2) TRACT CLUSTERS (Census Tracts & Minor Civil Divisions)	68,000	1,270
3) ZIP CLUSTERS (5-Digit ZIP Codes)	37,000	2,320

For Geo-Coded List Segmentation

4) MICRO CLUSTERS (A Hybrid of the Geo- Codable Micro Units)	202,000	430
5) CARRIER ROUTE CLUSTERS (7-Digit Postal Carrier Routes)	180,000	480

Each PRIZM Cluster Model offers unique targeting advantages. BLOCK CLUSTERS are ideal for profile analysis of geo-coded customer files and for analyzing the composition of retail trading-areas. TRACT CLUSTERS are well-suited for local-market mapping of sales data and target locations. Direct Marketers use MICRO CLUSTERS, CARRIER ROUTE CLUSTERS or ZIP CLUSTERS according to the level of geo-coding of their lists.

The centerfold provides highlight descriptions of the 40 Clusters and a comparison of the five models. The BLOCK, TRACT and ZIP-CLUSTER models are compared in terms of U.S. households. The MICRO and CARRIER ROUTE-CLUSTER models are compared in terms of the composition of two national household mailing lists.

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